

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 889 - SB 873

February 13, 2009

SUMMARY OF BILL: Expands the remedies provided to a taxpayer who fails or refuses to submit an assessment of tangible personal property to the assessor of property to include a request to the assessor to mitigate the forced assessment to the extent that it exceeded the standard depreciated value of the taxpayer's assessable property by 25 percent or more, if the deadline to appeal to the local board of equalization has passed.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures - \$118,800/Permissive

Assumptions:

- Any increase in state expenditures is estimated to be not significant.
- Local governments may choose to send notice of forced assessments by certified mail, return receipt requested. Currently notice is typically sent by a postcard at a cost of \$0.27. If notice is sent by the certified mail method, the increase in local government expenditures is estimated to be \$118,783. The cost to mail each notice would be \$4.90 (\$2.70 for certified mail and \$2.20 for return receipt requested = \$4.90). The increase in cost for each piece of mail would be \$4.63. For tax year 2006, 228,046 personal property accounts were filed across the state and forty-five percent of accounts were forced, for a total of 102,621 forced accounts. If twenty-five percent of these 102,621 accounts were sent notice by certified mail, return receipt requested, local expenditures would increase \$118,783 [(102,621 x .25 = 25,655) x \$4.63 = \$118,783].

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kmc